

State of California
AIR RESOURCES BOARD

Resolution 98-64

December 10, 1998

Agenda Item No.: 98-14-3

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (the Board) to adopt standards, rules, and regulations, and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, in section 43000 of the Health and Safety Code, the Legislature has declared that the emission of air pollutants from motor vehicles is the primary cause of air pollution in many parts of the state, and in sections 39002 and 39003 of the Health and Safety Code, has charged the Board with the responsibility of systematically addressing the serious air pollution problem caused by motor vehicles;

WHEREAS, section 43018 of the Health and Safety Code directs the Board to endeavor to achieve the maximum degree of emission reductions possible from vehicular sources to accomplish the attainment of the state ambient air quality standards by the earliest practicable date;

WHEREAS, in section 44100 of the Health and Safety Code, the Legislature has declared that privately-operated emission reduction programs based on market principles have the potential to provide equivalent or superior environmental benefits, when compared to existing controls, at a lower cost to the citizens of California than traditional emission control requirements;

WHEREAS, section 44101 of the Health and Safety Code directs the Board to adopt regulations for a statewide program that provides for the creation, exchange, use, and retirement of light-duty vehicle mobile source emission reduction credits for use in achieving the emission reduction requirements of measure M1 of the 1994 State Implementation Plan for Ozone, or for use in satisfying other emission reduction requirements, as approved by the Board and local air districts;

WHEREAS, section 44104.5 of the Health and Safety Code requires the regulations to provide for a two-year pilot program, which may commence prior to the adoption of the regulations, for the purpose of assessing whether measure M1 of the 1994 State Implementation Plan for Ozone can be expected to yield the required reductions of reactive organic gases and oxides of nitrogen from 1999 through 2010;

WHEREAS, section 44121 of the Health and Safety Code directs the Board to develop standards for the certification and use of mobile source emission reduction credits to ensure that the credits are real, surplus, and quantifiable after accounting for program uncertainties;

WHEREAS, section 44122 of the Health and Safety Code requires the methodologies for quantifying emission reductions from retired vehicles to be based on either direct testing, statistical sampling, or emission modeling methods;

WHEREAS, the regulations proposed by staff set forth the air districts' role in implementing voluntary accelerated vehicle retirement enterprises, vehicle eligibility requirements, voluntary accelerated vehicle retirement enterprise operator requirements, procedures to provide the general public with the opportunity to purchase desirable vehicles or vehicle components, mobile source emission reduction credit calculation methodologies, records, auditing, and enforcement requirements, and measure M1 pilot program requirements;

WHEREAS, the California Environmental Quality Act and Board regulations require that no project having significant adverse environmental impacts be adopted as originally proposed if feasible alternatives or mitigation measures are available to substantially reduce or avoid such impacts;

WHEREAS, the Board has considered the impact of the proposed regulatory action on the economy of the state;

WHEREAS, a public hearing and other administrative proceedings have been held in accordance with the provisions of Chapter 3.5 (commencing with section 11340), part 1, Division 3, Title 2 of the Government Code;

WHEREAS, the Board finds that:

It is necessary and appropriate that the proposed regulations set the standards for light-duty vehicle eligibility to ensure that participating vehicles have remaining life and are capable of generating real reductions in emissions of oxides of nitrogen, reactive organic gases, carbon monoxide, and particulate matter beginning in 1999;

It is necessary and appropriate that the proposed regulations are applicable statewide and shall be used by local districts in implementing voluntary accelerated vehicle retirement enterprises to generate mobile source emission reduction credits to achieve either a direct air quality benefit, or to provide regulated sources an alternative means to achieve cost-effective emission reductions without adversely affecting overall emission reduction efforts;

It is necessary and appropriate that the proposed regulations require operators of vehicle retirement enterprises to adhere to specific protocols, including the complete destruction of each vehicle for which mobile source emission reduction credits are generated;

It is necessary and appropriate that the proposed regulations include a mechanism to provide members of the public with the opportunity to purchase desirable vehicles and vehicle components, without compromising the emission reduction potential of the proposed regulations;

It is necessary and appropriate that the proposed regulations rely on the motor vehicle emission inventory to quantify mobile source emission reduction credits that are: 1) real and surplus to existing and anticipated state, local, and federal regulations, 2) enforceable, and 3) quantifiable, with an established lifespan; and

It is necessary and appropriate that the proposed regulations provide the framework to guide the implementation of a two-year pilot program to evaluate the efficacy of the regulations in meeting the emission reduction goals of State Implementation Plan measure M1, and the efficacy of district voluntary accelerated vehicle retirement programs.

WHEREAS, the Board finds that the adoption of the regulations approved herein will not have a significant adverse environmental impact and that the regulations are projected to have a positive air quality impact, if the M1 program is adequately funded; and

WHEREAS, the Board further finds that no alternative considered by the Board would be more effective in carrying out the purpose for which the regulations are proposed or would be as effective and less burdensome to affected private persons.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts as a new chapter in title 13, California Code of Regulations, Chapter 13, Voluntary Accelerated Vehicle Retirement Enterprises; Article 1, Voluntary Accelerated Light-Duty Vehicle Retirement Enterprises; sections 2600 - 2610, and the documents incorporated by reference entitled "Voluntary Accelerated Light-Duty Vehicle Retirement Program Emission Reductions" and "Voluntary Accelerated Vehicle Retirement Certificate of Functional and Equipment Eligibility Inspection Form," with the modifications as set forth in Attachment A hereto.

BE IT FURTHER RESOLVED that the Board directs the Executive Officer to adopt the proposed regulations, with the modifications as set forth in Attachment A hereto, with such other conforming modifications as may be appropriate, and then to adopt the modifications, after making them available to the public for a period of 15 days, provided that the Executive Officer shall consider such written comments as may be submitted during this period, shall make further modifications as may be appropriate in light of the comments received or as necessary for consistency with the modifications in Attachment A, and shall present the regulations to the Board for further consideration if he determines that this is warranted.

I hereby certify that the above is a true and correct copy of Resolution 98-64, as adopted by the Air Resources Board.

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Pat Hutchens, Clerk of the Board

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Identification of Attachment to the Resolution

Attachment A: Modifications to the originally noticed regulations and documents incorporated by reference, as the modifications were suggested by the staff and were directed by the Board at the December 10, 1998, public hearing.